



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

MAY 19 2011

REPLY TO THE ATTENTION OF:

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Paul J. McCann  
Vice President of Operations  
Appleton Coated, LLC  
540 Prospect Street  
Combined Locks, Wisconsin 54113

Dear Mr. McCann:

This is to advise you that the U.S. Environmental Protection Agency has determined that the Appleton Coated, LLC (AC) facility at 540 Prospect Street, Combined Locks, Wisconsin (facility) is in violation of the Clean Air Act (CAA), 42 U.S.C. § 7401 et seq., and associated state or local pollution control requirements. A list of the requirements violated is provided below. We are today issuing to you a Notice of Violation and Finding of Violation (NOV/FOV) for these violations.

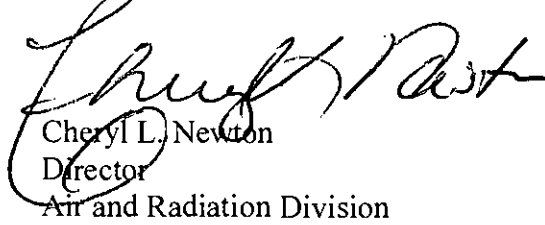
The EPA finds that the AC facility has violated the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Paper and Other Web Coating (Subpart JJJJ). 40 C.F.R. Part 63, Subpart JJJJ. AC failed to submit the required initial notification, compliance reports, and notification of compliance status. This regulation has been delegated to the State of Wisconsin.

Section 113 of the CAA, 42 U.S.C. § 7413, gives the EPA several enforcement options to resolve these violations, including: issuing an administrative compliance order, issuing an administrative penalty order, bringing a judicial civil action, or bringing a judicial criminal action.

We are offering you the opportunity to request a conference with us about the violations alleged in the NOV/FOV. A conference should be requested within 10 days following receipt of this notice. A conference should be held within 30 days following receipt of this notice. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply and the steps you will take to prevent future violations. Please plan for your facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

The EPA contact in this matter is Molly DeSalle. You may call her at (312) 353-8773 if you wish to request a conference. EPA hopes that this NOV/FOV will encourage AC's compliance with the requirements of the CAA.

Sincerely,



Cheryl L. Newton  
Director  
Air and Radiation Division

cc: Bill Baumann  
Section Chief, Compliance and Enforcement  
Wisconsin Department of Natural Resources

Richard Wulk  
Environmental Engineer Supervisor  
Wisconsin Department of Natural Resources

Enclosure

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5**

**IN THE MATTER OF:**

**Appleton Coated, LLC  
Combined Locks, Wisconsin**

Proceedings Pursuant to  
the Clean Air Act  
42 U.S.C. §§ 7401 et seq

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)  
) **NOTICE OF VIOLATION and**  
) **FINDING OF VIOLATION**  
)  
) **EPA-5-11-WI-03**  
)  
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**NOTICE AND FINDING OF VIOLATION**

Appleton Coated, LLC (you or AC) owns and operates one coal-fired boiler and two natural gas-fired turbines at 540 Prospect Street, Combined Locks, Wisconsin (facility). The off-machine coater with natural gas-fired dryers is identified as P51.

The U.S. Environmental Protection Agency (EPA) is sending this Notice of Violation and Finding of Violation (NOV/FOV or Notice) to notify you that we have found violations of the Wisconsin State Implementation Plan (WI SIP) and the National Emission Standards for Hazardous Air Pollutants for Paper and Other Web Coating (Subpart JJJJ), 40 C.F.R. Part 63, Subpart JJJJ. These violations constitute violations of the Clean Air Act (the Act or CAA).

Section 113 of the Act, 42 U.S.C. § 7413, provides you with the opportunity to request a conference with us to discuss the violations alleged in the NOV/FOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for the facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

The regulations relevant to this NOV/FOV are as follows:

1. Pursuant to Section 110 of the Act, 42 U.S.C. § 7410, each State is responsible for submitting to the EPA for approval an implementation plan which specifies how the State will achieve, maintain, and enforce all primary and secondary National Ambient Air Quality Standards (NAAQS) in the State.
2. Under Section 110(a) of the Act, 42 U.S.C. § 7410(a), each State Implementation Plan (SIP) must include a permit program to regulate the modification and construction of any stationary source of air pollution as necessary to assure that NAAQS are achieved. SIPs must include enforceable emission limitations, control measures, and schedules for compliance. Upon the EPA's approval of a SIP, the plans become independently

enforceable by the federal government, as stated under Section 113(a) of the Act, 42 U.S.C. § 7413(a).

3. On January 18, 1995, the EPA approved Wisconsin Administrative Code NR 400, NR 406, and NR 407 as part of the federally enforceable SIP for Wisconsin. 60 *Fed. Reg.* 3538 (January 18, 1995); 40 C.F.R. §52.2570(c)(75) and (76).
4. NR 400.02 states that the definition of "stationary source" "has the meaning given in Section 144.30(23) of the Wisconsin Statutes."
5. Section 144.30(23) of the Wisconsin Statutes has been renumbered to be Section 285.01(41) of the Wisconsin Statutes. Under Section 285.01(41), "stationary source" means "any facility, building, structure or installation that directly or indirectly emits or may emit an air contaminant only from a fixed location. A stationary source includes an air contaminant source that is capable of being transported to a different location."
6. NR 407.01 states that chapter NR 407 "applies to all stationary sources which are required under 144.391(6) Wis. Stats. (now § 285.60(1)(b)), to obtain an operation permit."
7. 40 C.F.R. Part 63, the National Emission Standards for Hazardous Air Pollutants (NESHAP), sets forth general regulations in Subpart A, 40 C.F.R. § 63.1, which are applicable to groups subject to Part 63. Additional regulations specific to Paper and Other Web Coatings are set forth in Subpart JJJJ.
8. EPA promulgated NESHAP Subpart JJJJ on December 4, 2002 (67 *Fed. Reg.* 72341).
9. A "stationary source" under the NESHAP "means any building, structure, facility, or installation which emits or may emit any air pollutant." 40 C.F.R. § 63.2.
10. Subpart JJJJ applies "to each new and existing facility that is a major source of Hazardous Air Pollutants (HAP), as defined in 40 C.F.R. § 63.2, at which web coating lines are operated." 40 C.F.R. § 63.3290.
11. An "existing affected source" means "any affected source the construction or reconstruction of which is commenced on or before September 13, 2000, and has not undergone reconstruction as defined in § 63.2." 40 C.F.R. § 63.3310.
12. A "web coating line" means "any number of work stations, of which one or more applies a continuous layer of coating material across the entire width or any portion of the width of a web substrate, and any associated curing/drying equipment between an unwind or feed station and a rewind or cutting station." 40 C.F.R. § 63.3310.
13. As required by 40 C.F.R. § 63.3330(a), owners or operators of affected existing sources must comply by the compliance date of December 5, 2005.

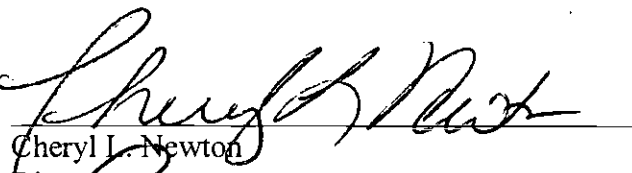
14. Subpart JJJJ, at 40 C.F.R. § 63.3400(b)(1), requires owners or operators subject to the Subpart to submit an initial notification for existing affected sources no later than 1 year before the compliance date.
15. Subpart JJJJ, at 40 C.F.R. § 63.3400(c), requires owners or operators subject to the Subpart to submit a Semi-Annual Compliance Report.
16. Subpart JJJJ, at 40 C.F.R. § 63.3400(e), requires owners or operators subject to the Subpart to submit a Notification of Compliance Status as specified in § 63.9(h).
17. Subpart JJJJ, at 40 C.F.R. § 63.3410(a), requires owners or operators subject to the Subpart to maintain the records specified in 40 C.F.R. §§ 63.3410(a)(1) and 63.3410(a)(2).

#### Explanation of Violations

1. AC is the owner and operator of a stationary source, an affected existing source, and a web coating line. Process P51 meets the location and definition criteria, was installed in 1996, and was not reconstructed after December 2002. Therefore, since the coater in Process P51 is separate from the paper machines that are used to produce the paper itself, Process P51 would be considered an existing affected source.
2. From December 4, 2004, to August 19, 2009, AC failed to timely submit an initial notification for existing affected sources no later than 1 year before the compliance date of December 5, 2005, as required 40 C.F.R. § 63.3400(b)(1).
3. From June 30, 2006, to August 19, 2009, AC failed to timely submit Semi-Annual Compliance Reports as required by 40 C.F.R. § 63.3400(c).
4. From December 5, 2005, to August 19, 2009, AC failed to timely submit a Notification of Compliance Status as specified in § 63.9(h) and required by 40 C.F.R. § 63.3400(e).
5. From December 5, 2005, to August 19, 2009, AC failed to maintain records required by 40 C.F.R. §§ 63.3410(a)(1) and § 63.3410(a)(2).

Date

5/19/11

  
Cheryl L. Newton  
Director  
Air and Radiation Division

## CERTIFICATE OF MAILING

I, Betty Williams, certify that I sent a Notice and Finding of Violation, No. EPA-5-11-WI-03, by Certified Mail, Return Receipt Requested, to:

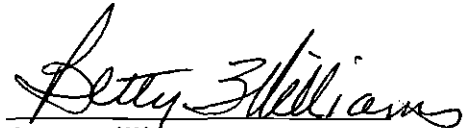
Paul J. McCann  
Vice President of Operations  
Appleton Coated, LLC  
540 Prospect Street  
Combined Locks, Wisconsin 54113

I also certify that I sent copies of the Notice of Violation and Finding of Violation by first-class mail to:

Bill Baumann  
Section Chief, Compliance and Enforcement  
Wisconsin Department of Natural Resources  
PO Box 7921  
Madison, Wisconsin 53707

Richard Wulk  
Environmental Engineer Supervisor  
Wisconsin Department of Natural Resources  
2984 Shawano Avenue  
Green Bay, Wisconsin 54313

On the 20<sup>th</sup> day of May 2011.

  
Betty Williams  
Administrative Program Assistant  
Planning Administrative Section

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7666 6039